

## **CHAPTER 3**

### **STATE SCHOLARSHIP AND GRANT PROCESSING**

#### **A. APPLICATION PROCESSING**

The United States Department of Education's (USDE) Central Processing System (CPS) processes applicant FAFSA information and distributes need analysis results to college and university officials at institutions listed by applicants. College and university officials receive this information electronically from the USDE on need analysis reports called Individual Student Information Records (ISIRs). Applicants are notified of processing results on Student Aid Report (SARs). SARs and ISIRs provide applicants' Expected Family Contributions (EFCs).

#### **B. IOWA COLLEGE AID RECEIPT**

The Iowa College Student Aid Commission (Iowa College Aid) electronically receives need analysis information from the USDE's CPS for all applicants that list their Legal State of Residence as Iowa on the FAFSA. All Iowa resident applicants are considered for state-funded student financial aid.

Most awards are calculated by college and university officials using awarding parameters provided by Iowa College Aid and information from applicant ISIRs.

#### **C. CERTIFICATION OF RECIPIENTS**

Payment Certification Forms are available to college and university officials prior to the beginning of the academic year. Officials must sign (electronically) Certification Forms for each scholarship and grant program under which students on their campuses will be certified for payment during the academic year.

By signing Payment Certification Forms, college and university officials certify that each student with reported disbursements in ICAPS is eligible for the program from which payment is being requested. It is important that college and university officials read Payment Certification Forms carefully. Completed Payment Certification Forms provide Iowa College Aid with the following assurances about student eligibility for state-funded student aid:

- Students are making Satisfactory Academic Progress as described in the college or university's written procedures.
- Students classified as full-time are enrolled for at least 12 credit hours per semester, or the quarter or trimester equivalent.
- Recipients classified as less than full-time are awarded grants which correspond to the number of hours enrolled.
- Iowa Tuition Grant recipients are not scheduled to receive grants that exceed the difference between the actual tuition and mandatory fee charges and the corresponding average tuition and fee charges at the Regent universities.
- Iowa Vocational-Technical Tuition Grant and Kibbie Grant recipients are enrolled in eligible vocational-technical or career option programs as defined by the State Department of Education.
- Recipients do not owe refunds for, and are not in default on, student assistance awards or loans funded or subsidized by the United States Department of Education or the State of Iowa.
- Students have received official notification of Iowa awards and notification of any adjustments made to the awards.
- All recipients meet the Iowa residency definition as described in Chapter 1 of this Guide.
- College officials will report disbursements by the Iowa College Aid-defined reporting deadlines, listed in Section F Chapter 3; and
- Ensure overpayments are refunded to Iowa College Aid in accordance with the State Refund Procedures, as detailed in Chapter 2.

Iowa College Aid staff will begin processing advance payments and additional student payments upon receipt of Payment Certification Forms, as long as all prior year program refunds have been returned.

## **D. INSTITUTIONAL POLICIES**

Each accredited private college or university is required to establish institutional policies that meet the requirements of 261.9(1)e, 261.9(1)f, 261.9(1)g, and 261.9(1)h. These policies are reviewed every two years when private colleges and universities apply for an exemption from the Iowa postsecondary registration process.

## **E. ADVANCE PAYMENTS**

Iowa College Aid's financial aid payment process begins approximately two weeks prior to the beginning of the fall and spring academic terms when Iowa College Aid makes advance payments for Iowa Tuition Grants, Iowa Vocational-Technical Tuition Grants, and Kibbie Grants. Fall term advances are based on staff's projection of the number of students expected to receive awards under each program as indicated by applicant information received from the CPS. Spring term advances are based on the actual fall payments made to students at colleges and universities. For the fall term beginning with the 2010-11 academic year, Iowa National Guard Educational Assistance Program and All Iowa Opportunity Scholarship advance payments will only be made if Iowa College Aid staff projects a college to expend at least \$50,000 in funding for the fall term. All Iowa Opportunity Foster Care Grant, Education and Training Voucher Grant, AIOS and GEAR UP Scholarship advance payments will only be made if staff projects a college to expend at least \$50,000 in funding for the fall term.

Iowa College Aid staff provides payments only after schools report disbursements for the Barber and Cosmetology Arts and Sciences Tuition Grants. If funded by the Iowa General Assembly, full annual payments also are made under the Iowa Work-Study Program for colleges and universities with annual payments that are expected to be \$50,000 or less.

Payments are made to colleges and universities either by means of an Electronic Funds Transfer (EFT) or with a state warrant. College and university officials who choose to receive funds via EFT are notified by e-mail when funds are transferred to college or university accounts.

## **F. PAYMENT FILES**

Iowa College Aid staff notifies college and university officials at the beginning of each academic year when the Iowa College Aid Processing System (ICAPS) is available. ICAPS includes information about applicants who meet Iowa College Aid's general eligibility criteria. College and

university officials use ICAPS to report disbursements and make adjustments to student awards. Detailed web functions and processing information are included in the “User Guide” provided by Iowa College Aid (traditionally released in the summer prior to disbursement roster availability in ICAPS – Appendix A).

Many college and university officials have computer systems that allow them to download student information in a file and upload that file into ICAPS. Detailed information is provided in the “User Guide” provided by Iowa College Aid (Appendix A).

Scholarship and grant information must be updated by the deadlines specified by Iowa College Aid staff. **Iowa College Aid may reject any awards or updates submitted after the following final deadlines.** If a student fails to provide verification documentation to a financial aid office within a timeframe that would allow the college to report a disbursement on or before the corresponding final reporting deadline, the student could lose state program eligibility for that term.

See Section H for details on exceptions to the Payment Terms and Deadlines.

State-Defined Payment Terms and Deadlines						
	Term 1 Fall	Term 2 Winter	Term 3 Spring	Term 4 Spring	Term 5 Late Spring*	Term 6 Summer
	Semester/ Quarter	Quarter	Semester/ Quarter	Quarter	Semester	Semester/ Quarter
File Due	October 15	January 2	February 15	April 1	June 1*	June 15*
Final Updates Due	December 1	February 15	May 1	June 15	July 15*	July 31*

\*Modifications for the 2017-18 year: Added Term 6 to be the exclusive summer reporting term, but the reporting dates remain the same as previous year summer reporting dates. Term 5 was modified from a late spring and summer disbursement reporting term to solely a late spring disbursement reporting period. The Term 5 initial and final reporting deadlines have been modified.

## G. TERM PAYMENTS

After ICAPS disbursement rosters have been updated by college and university officials, student information is reviewed by Iowa College Aid staff to ensure that a FAFSA was received by Iowa College Aid’s deadline and that the student’s EFC is under the maximum allowed in the program under which payment is requested. Any discrepancies between information provided by the college or university and that held by ICAPS

must be resolved by Iowa College Aid staff and college and university officials. Any eligibility errors should be accessed and resolved in ICAPS. Iowa College Aid staff will authorize payments to colleges/universities after the college/university indicates recipients have been certified in ICAPS.

State warrants or Electronic Funds Transfers are requested for amounts that were not covered by advance payments.

## **H. CORRECTIONS**

College and university officials are responsible for making adjustments or corrections to applicants' financial aid applications, noting any changes in applicant files, and retaining detailed support documentation. Any changes in applicant or parent information or applicant status must be documented. Changes in eligibility should be reported to Iowa College Aid in one of the following ways:

- Students resubmit Student Aid Reports (SAR) with corrections or changes directly to the Central Processing System (CPS).
- College or university officials input changes and electronically send them to the CPS.

Iowa College Aid staff uses updated information and corrections submitted by college and university officials for students that are processed through the CPS.

Corrections to EFCs and adjustments to state-funded awards made after submitting the fall term payment information must be reported electronically to Iowa College Aid. Generally, retroactive award adjustments are not permitted if applicants become eligible for state-funded grants after the published deadlines for submission of term award information. However, awards may be made to these students if Iowa College Aid staff determines that sufficient funding is available after funding all applicants whose disbursements were reported by the deadline.

Aid administrators are encouraged to report all changes through the CPS. Documentation for any changes in EFC should be retained in applicant files.

College and university officials must retain all change documentation in applicant files and submit changes through the CPS.

If changes in ICAPS are required subsequent to the initial submission of payment information, college and university officials must make updates as soon as possible. Corrections which increase the amount or number of awards must be submitted by the deadline specified by Iowa College Aid staff **(see Payment Terms and Deadlines table in Section F)**.

Awards generally will not be approved after the end of the term for which payment should have been requested. However, Iowa College Aid may approve these payments as special priority awards prior to the end of the academic year.

## **I. SPECIAL PRIORITY AWARDS**

Special priority awards may be authorized by Iowa College Aid staff when state appropriations are sufficient and when it is determined to be impractical to increase the EFC or maximum award. Upon notification from Iowa College Aid staff, college and university officials should use professional judgment to identify students to receive special priority awards.

Students who have graduated or completed the terms of enrollment for which special priorities have been authorized may be awarded as long as they were eligible to receive funds at the time first-priority students were awarded had they been included in the initial awarding parameters.